

FISCAL NOTE

HB 2897 - SB 2944

February 7, 2002

SUMMARY OF BILL: Makes exit examinations prior to high school graduation optional for every student rather than mandatory. Requires the results of the examinations to be shared with the Select Oversight Committee on Education.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - Approximately \$482,000

Decrease Local Govt. Expenditures - Approximately \$161,000

Estimate assumes:

- Exit exams currently required are the ACT, SAT and Work Keys.
- Fewer students would take the Work Keys exam and only students who were planning to enroll in college would continue to take the ACT or SAT.
- Currently, the BEP generates \$1,318,041 for the exit exam requirement (including ACT, SAT and Work Keys). The state share is \$988,531 and the local share is \$329,510.
- The cost to take the ACT or SAT is \$25 per student.
- There were 26,997 first-time freshmen in college who had recently graduated from high school in the fall of 1998. At \$25 per student, the total spent on 26,997 students to take the ACT or SAT is estimated to be \$674,925.
- If the BEP currently generates \$1,318,041 for the ACT/SAT/Work Keys requirement and taking these exams becomes permissive, the BEP would only need to generate \$674,925 for the students (26,997) who wished to take the ACT or SAT. Therefore, the BEP would be generating \$643,611 less than it currently does. This decrease in expenditures would be shared by the state in the amount of \$482,337 and shared by local government in the amount of \$160,779.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 2897 - SB 2944